



**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.**

Issued by the Department of Transportation  
on the 29th day of December, 1999

Essential Air Service at

**EL DORADO/CAMDEN, ARKANSAS  
JONESBORO, ARKANSAS  
HARRISON, ARKANSAS  
HOT SPRINGS, ARKANSAS**

**ENID, OKLAHOMA  
PONCA CITY, OKLAHOMA**

**BROWNWOOD, TEXAS**

under 49 U.S.C. 41731 *et seq.*

**Served: January 3, 2000**

**Dockets: OST-1997-2935 - 18**

**OST-1997-2401 - 19**

**OST-1997-2402 - 19**

**ORDER RESELECTING CARRIER  
AND ESTABLISHING SUBSIDY RATES**

**Summary**

By this order, the Department reselects Big Sky Transportation, d/b/a Big Sky Airlines (Big Sky), to provide subsidized essential air service (EAS) at El Dorado/Camden, Jonesboro, Harrison, and Hot Springs, Arkansas, Enid and Ponca City, Oklahoma, and Brownwood, Texas, for a new two-year rate term at a combined subsidy rate of \$6,712,448 annually effective December 1, 1999, through November 30, 2001. (See Appendix A for a map.)

**Background**

Big Sky has provided EAS at these seven communities since late November 1998, under Order 98-10-9, October 7, 1998, when it was selected to replace Aspen Mountain Air (AMA), at all seven communities. AMA had experienced severe financial problems and filed for protection under Chapter 11 of the bankruptcy laws. AMA shortly thereafter informed the Department that because of its ongoing financial situation it intended to suspend service at the seven communities as soon as a replacement carrier could be found. Consequently, the Department requested emergency replacement service and selected Big Sky to provide service at the seven communities at the same service levels and subsidy rates as AMA's. All service is provided with 19-seat Metro aircraft. Big Sky's current subsidy rates and service levels for the seven communities expired November 30, 1999.

Under our normal procedures when nearing the end of a rate term, we contact the incumbent carrier to determine whether it is interested in continuing service and whether it will continue to require subsidy. If the carrier wishes to continue service with subsidy, we usually negotiate a new subsidy rate with the carrier, issue an order tentatively reselecting it for a new two-year rate term at the agreed-to rate, and direct other parties to show cause why we should not finalize our tentative decision. Other carriers are then invited to submit competing proposals in response to the show-cause order, and if any such proposals are received, we process them as a competitive case. Although Big Sky had advised us that it was interested in continuing to provide subsidized service at all seven points, in this case, two other carriers expressed an interest in providing EAS at these communities--Merlin Express, located in San Antonio, Texas, and Casino Airlines, in Shreveport, Louisiana. Under those circumstances and our program policy, we issued an order requesting proposals from all interested carriers to provide essential air service at the seven communities.

### Proposals

We received a proposal from only one carrier, Big Sky Airlines. The carrier proposes to provide EAS at all seven communities with 19-seat Metro aircraft at the same service level it is currently providing and at the annual subsidy rates as follows:

<u>Community</u>	<u>Hub</u>	<u>Round Trips Each Weekday and Weekend</u>	<u>Annual Subsidy Rate</u>
El Dorado	Dallas (nonstop)	Three	ELD and JBR
Jonesboro	Dallas (via El Dorado)	Two	\$1,651,137
Harrison	St. Louis (via Mountain Home) & Dallas (via Hot Springs)	Two Two	
Hot Springs	St. Louis (via Mountain Home & Harrison) and Dallas (nonstop)	Two Three	Harrison and Hot Springs \$2,251,181 <sup>1</sup>
Enid	Dallas (via Ponca City)	Four	Enid and Ponca
Ponca City	Dallas (via Enid)	Four	City--\$1,944,244
Brownwood	Dallas (nonstop)	Three	\$865,886

### Community Comments

We have not received any formal comments from the communities; however, we have informally discussed Big Sky's proposed service with civic officials from Jonesboro, El Dorado, and Enid. Both Jonesboro and Enid were satisfied with Big Sky's proposed service except that Jonesboro requested service to St. Louis in addition to its subsidized Dallas service. During the past year,

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<sup>1</sup> The St. Louis service is provided over the intermediate point Mountain Home. Mountain Home is not an essential air service community.

Big Sky experimented with providing one round trip a day in the Jonesboro-St. Louis market. That service proved to be unprofitable and has been suspended by Big Sky.<sup>2</sup> El Dorado has complained that Big Sky's service has been unreliable in that too many flights have been cancelled.

### **Decision**

We have reviewed Big Sky's proposal and find that the proposed service will meet the essential air service requirements for the seven communities and that its subsidy request is reasonable. Thus, we will reselect Big Sky to provide essential air service at Brownwood, Enid, Ponca City, Harrison, Hot Spring, Jonesboro and El Dorado for another two-year period through November 30, 2001, at a combined annual subsidy rate of \$6,712,448.<sup>3</sup>

The combined rate we are authorizing here is above the current rate by about \$380,000, principally because traffic in most markets has been depressed over the past several years. While we are concerned about any increase in subsidy rates, there are extenuating circumstances regarding these seven communities. In late 1995, the Department implemented program-wide service cuts as a result of Congressional reductions in fiscal year 1996 funding for the EAS program.<sup>4</sup> Subsidy levels in all markets (except Alaska), including these seven communities, were cut to support only ten round trips a week in order to keep spending within Congressional budget levels. Beginning in fiscal year 1998 (effective October 1, 1997), Congress authorized funds necessary to restore service compliance with the statutory EAS requirements established in the Airport and Airway Safety and Capacity Expansion Act of 1987.<sup>5</sup> Toward the end of 1997 and early 1998, carriers began phasing in the required service upgrades. Not long after service had been restored at these seven communities the incumbent carrier, Aspen Mountain Air, began having financial troubles and its service became unreliable and was finally terminated in November 1998. As we explained above, although Big Sky was selected to provide replacement service, AMA's suspension occurred before Big Sky was fully prepared to commence service and, consequently, Big Sky was unable initially to implement a full service pattern. In a further development, Big Sky, along with several other commuter carriers, suffered a heavy loss of pilots to larger air carriers, which forced flight cancellations, especially in mid-1999. Thus, in view of this succession of disruptive developments, service at these communities has only recently become fully reliable. For that reason, Big Sky has been understandably reluctant to project much increase in traffic at the communities. In these circumstances, although we are concerned that the subsidy rate in total is increasing, we find Big Sky's revenue projections and subsidy-need estimate reasonable.

As a final matter, we have earmarked a specific dollar amount for local advertising in Big Sky's subsidy rates and we fully expect the carrier to use that amount as proposed to continue to promote its service at these essential air service communities.

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<sup>2</sup> Although St. Louis is not part of Jonesboro's EAS definition, Big Sky offered the St. Louis service for about a six-month period between July and December. In light of the fact that not many passengers used the St. Louis service, at this time we are not prepared to expand Jonesboro's EAS definition.

<sup>3</sup> See Appendix B for details of Big Sky's subsidy calculation.

<sup>4</sup> See Orders 95-11-28, November 17, 1995, and 96-2-1, February 2, 1996.

<sup>5</sup> These funds are provided for by the Rural Air Service Survival Act which was part of the FAA reauthorization legislation enacted in 1996.

### **Carrier Fitness**

49 U.S.C. 41737(b) and 41738 require that we find an air carrier fit, willing and able to provide reliable service before we compensate it for providing essential air service. We last reviewed Big Sky's fitness by Order 98-9-12, September 14, 1998, in connection with its selection at seven Montana points, and Order 98-10-9, October 7, 1998, in connection with its selection at the seven points in Arkansas, Oklahoma, and Texas. The Department routinely monitors the carrier's continuing fitness, and no information has come to our attention that would lead us to question their ability to operate in a reliable manner. We contacted the FAA Flight Standards District Office in Montana that oversees Big Sky's operations and they have advised us that Big Sky is conducting its operations in accordance with its regulations, and that it knows of no reason why we should not find that Big Sky Airlines remains fit. Based on our review of its most recent submissions, we find that Big Sky Airlines continues to have available adequate financial and managerial resources to maintain reliable service at the seven communities in Arkansas, Oklahoma, and Texas, and that it continues to possess a favorable compliance disposition.

This order is issued under authority delegated in 49 CFR 1.56a(f).

### **ACCORDINGLY,**

1. The Department selects Big Sky Airlines to provide essential air service at El Dorado/Camden, Jonesboro, Harrison, and Hot Springs, Arkansas; Enid and Ponca City, Oklahoma; and Brownwood, Texas, at the service levels and subsidy rates described in Appendix C, from December 1, 1999, through November 30, 2001;

3. The Department sets the final rates of compensation for Big Sky Airlines for the provision of essential air service at El Dorado/Camden, Jonesboro, Harrison, and Hot Springs, Arkansas; Enid and Ponca City, Oklahoma; and Brownwood, Texas, as described in Appendix C, from December 1, 1999, through November 30, 2000, payable as follows: for each calendar month during which essential air service is provided, the amount of compensation shall be subject to the ceilings per week set forth in Appendix C, and shall be determined by multiplying the subsidy-eligible arrivals and departures flown during the month by the following amounts;<sup>6</sup>

Enid and Ponca City:	\$408.63
Brownwood:	\$485.36
El Dorado and Jonesboro:	\$555.19
Hot Springs and Harrison:	\$420.62

3. We find that Big Sky Airlines continues to be fit, willing, and able to operate as a commuter air carrier and capable of providing reliable essential air service at El Dorado/Camden, Jonesboro, Harrison, and Hot Springs, Arkansas; Enid and Ponca City, Oklahoma; and Brownwood, Texas;

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<sup>6</sup> See Appendix B for the calculation of these rates, which assumes the use of the aircraft designated. If the carrier reports a significant number of aircraft substitutions, a revision of these rates may be required.

4. We direct Big Sky Airlines to retain all books, records, and other source and summary documentation to support claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed. Copies of flight logs for aircraft sold or disposed of must be retained. The carriers may forfeit their compensation for any claim that is not supported under the terms of this order;

5. These dockets will remain open until further order of the Department; and

6. We will serve a copy of this order on the Mayors and airport managers of El Dorado, Camden, Jonesboro, Harrison, and Hot Springs, Arkansas, Enid and Ponca City, Oklahoma, and Brownwood, Texas, the States' Departments of Transportation, and Big Sky Airlines.

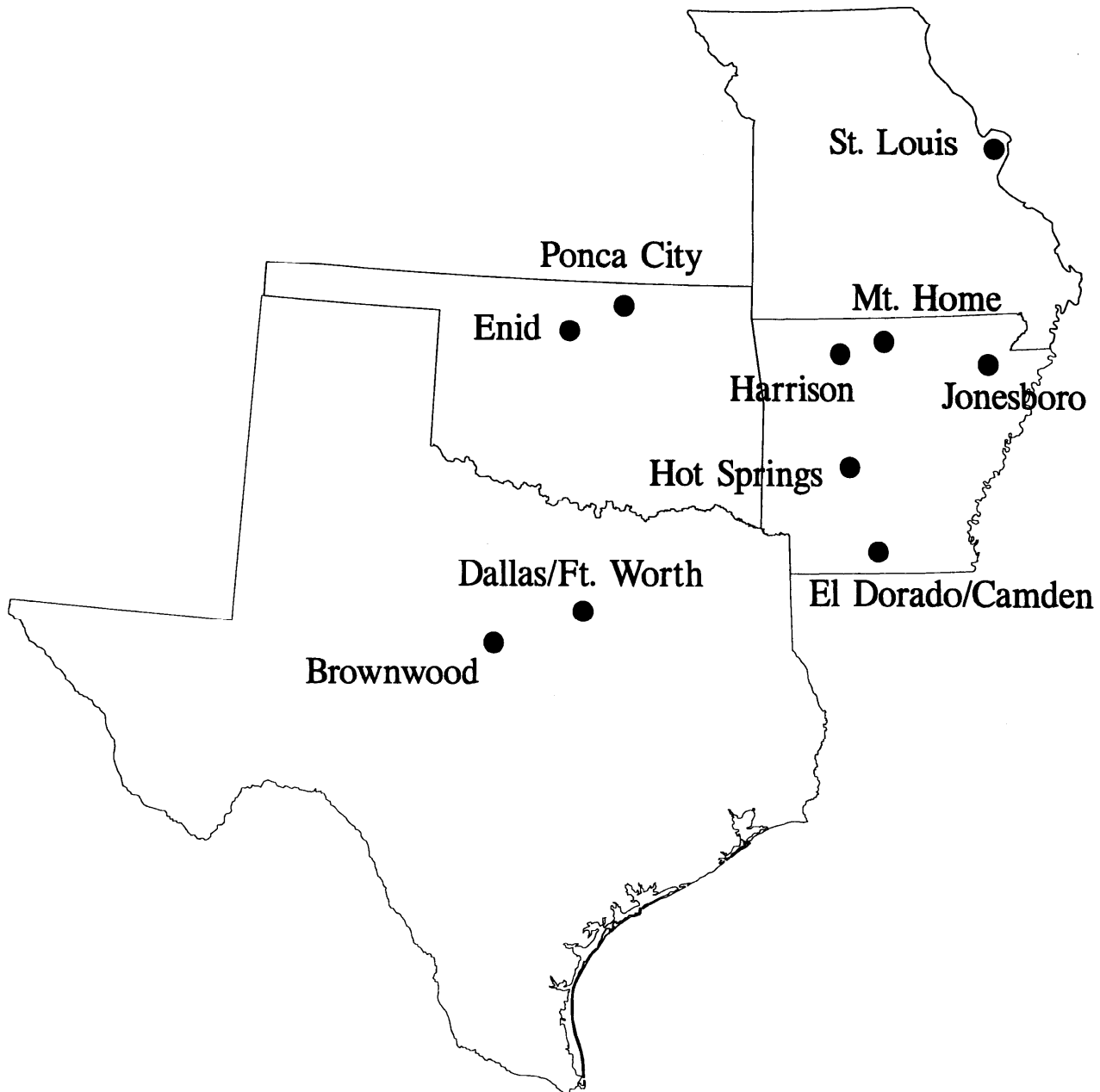
By:

**A. Bradley Mims**  
Deputy Assistant Secretary for Aviation  
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at  
<http://dms.dot.gov>*

## Appendix A



BIG SKY AIRLINES  
SUBSIDY CALCULATION FOR  
ENID AND PONCA CITY, OKLAHOMA, AND BROWNWOOD, TEXAS

				Annual total	
Block Hours at 95%				WDG/PNC	BWD
Enid and Ponca City	to DFW	4 RT's		3,271 <u>1/</u>	
Brownwood	to DFW	3 RT's			1,338 <u>2/</u>
Non-Revenue BH				<u>124</u>	<u>51</u>
Total Block Hours				3,395	1,389
<b>Operating Revenue</b>					
Passenger Revenue:	Psg.	Fare	Psg.		
WDG-DFW	2,930	\$53.50		\$156,755	
PNC-DFW	<u>5,070</u>	\$56.50		\$286,455	
BWD-DFW		\$33.30	<u>3,925</u>		\$130,703
	8,000		3,925		
Total Passenger Revenue				\$443,210	\$130,703
Freight Revenue	at 1%			<u>\$4,432</u>	<u>\$1,307</u>
Total Operating Revenue				\$447,642	\$132,010
<b>Operating Expenses</b>					
Direct Expenses					
Flying Operations	\$97.89	per BH		\$332,337	\$135,969
Fuel and Oil	\$82.45	per BH		\$279,918	\$114,523
Direct Maintenance	\$138.71	per BH		\$470,920	\$192,668
Maint. Burden	\$23.60	per BH		\$80,122	\$32,780
Aircraft Lease	\$94.12	per BH		\$319,537	\$130,733
Hull Ins.	\$16.93	per BH		\$57,477	\$23,516
Property Tax/Aircraft	<u>\$9.48</u>	per BH		<u>\$32,185</u>	<u>\$13,168</u>
Total Direct Expenses	\$463.18	per BH		\$1,572,496	\$643,357
Indirect Expenses					
Advertising	\$7,000	per community		\$14,000	\$7,000
Other Passenger Related	\$18.41	per pax		\$147,280	\$72,259
Departure Costs					
WDG/PNC		3,865 dptrs		\$457,708 <u>3/</u>	
BWD		1,784 dptrs			\$199,415 <u>4/</u>
G&A + Depr.				<u>\$65,579</u>	<u>\$19,339</u>
Total Indirect Expenses				\$684,567	\$298,013
Total Operating Costs				\$2,257,063	\$941,370
Return (at 5 % of total costs)				\$112,853	\$47,069
Interest				<u>\$21,970</u>	<u>\$9,457</u>
Total Economic Costs				\$2,391,886	\$997,896
Compensation Need				<u>\$1,944,244</u>	<u>\$865,886</u>

- 1/ WDG-DFW = 254 miles. = 70 min  
WDG-PNC = 45 miles = 20 min  
PNC-DFW = 265 miles = 70 min  
DFW-PNC-WDG-DFW = 313 x 3 flts x (70min+20+70) /60 x .95 = 2,379  
WDG-PNC-DFW = 313 x 2 flts x (70min + 20) /60 x .95 = 892  
Total Block Hours = 3,271  
2/ BWD-DFW = 139 miles = 45 min  
BWD-DFW = 313 days x 6 flts. x 45 min = 1,338 Block Hours  
3/ Station costs = \$70,375/WDG + \$85,863/PNC + \$78.00 per dptr.  
4/ BWD station costs = \$60,263 + \$78.00 per dptr.

**BIG SKY AIRLINES**  
**SUBSID CALCULATION FOR HARRISON, HOT SPRINGS,**  
**EL DORADO/CAMDEN, AND JONESBORO, ARKANSAS**

				<u>Annual total</u>	
<b>Block Hours at 95%</b>				<u>HRO/HOT</u>	<u>ELD/JBR</u>
Harrison and Hot Springs	to DFW/STL	2 RT's		3,866 1/	
Hot Springs	to DFW	1 RT		694	
El Dorado and Jonesboro	to DFW	3RT/2RT			3,271 2/
Non-Revenue BH				<u>173</u>	<u>124</u>
<b>Total Block Hours</b>				<b>4,733</b>	<b>3,395</b>
<b>Operating Revenue</b>					
<b>Passenger Revenue:</b>	<b>Psgr.</b>	<b>Fare</b>	<b>Psgr.</b>		
HRO-DFW	3,970	\$75.20		\$298,544	
HOT-DFW	4,670	\$65.50		\$305,885	
HRO-STL	1,000	\$84.20		\$84,200	
HOT-STL	480	\$72.50		\$34,800	
WMH-STL	8,385	\$72.10		\$604,559	
WMH-DFW	2,700	\$88.80		\$239,760	
DFW-STL	<u>760</u>	\$155.40		\$118,104	
ELD-DFW		\$84.20	2,965		\$249,653
JBR-DFW		\$89.40	<u>4,400</u>		\$393,360
	21,965		7,365		
<b>Total Passenger Revenue</b>				<b>\$1,685,852</b>	<b>\$643,013</b>
<b>Freight Revenue</b>	at 1%			<u>\$16,859</u>	<u>\$6,430</u>
<b>Total Operating Revenue</b>				<b>\$1,702,711</b>	<b>\$649,443</b>
<b>Operating Expenses</b>					
<b>Direct Expenses</b>					
Flying Operations	\$97.89	per BH		\$463,313	\$332,337
Fuel and Oil	\$82.45	per BH		\$390,236	\$279,918
Direct Maintenance	\$138.71	per BH		\$656,514	\$470,920
Maint. Burden	\$23.60	per BH		\$111,699	\$80,122
Aircraft Lease	\$94.12	per BH		\$445,470	\$319,537
Hull Ins.	\$16.93	per BH		\$80,130	\$57,477
Property Tax/Aircraft	\$9.48	per BH		\$44,869	\$32,185
<b>Total Direct Expenses</b>	<b>\$463.18</b>	<b>per BH</b>		<b>\$2,192,231</b>	<b>\$1,572,496</b>
<b>Indirect Expenses</b>					
Advertising	\$7,000	per community		\$21,000	\$14,000
Other Passenger Related	\$18.41	per pax		\$404,376	\$135,590
<b>Departure Costs</b>					
HRO/HOT		5,352 dptrs		\$875,841 3/	
ELD/JBR		2,974 dptrs			\$357,880 4/
G&A + Depr.				<u>\$249,444</u>	<u>\$95,142</u>
<b>Total Indirect Expenses</b>				<b>\$1,550,661</b>	<b>\$602,612</b>
<b>Total Operating Costs</b>				<b>\$3,742,892</b>	<b>\$2,175,108</b>
<b>Return (at 5 % of total costs)</b>				<b>\$187,145</b>	<b>\$108,755</b>
<b>Interest</b>				<u>\$23,855</u>	<u>\$16,717</u>
<b>Total Economic Costs</b>				<b>\$3,953,892</b>	<b>\$2,300,580</b>
<b>Compensation Need</b>				<u>\$2,251,181</u>	<u>\$1,651,137</u>
1/ HOT-DFW = 252 miles. = 70 min. HOT-HRO = 123 miles = 35 min HRO-WMH = 39 miles = 20 min WMH-STL = 201 miles. = 70 min DFW-HOT-HRO-WMH-STL = 313 x 4 fts x (70min+35+20+70) /60 x .95 = 3,866 DFW-HOT = 313 x 2 fts x 70min /60 x .95 = 694 Total Block Hours = 4,560					
2/ ELD-DFW = 246 miles, 313 days x 6 fts. x .975 = 1,831 fts x 1.25 (block time) = 2,289 Block Hours ELD-JBR = 218 miles. 313 days x 4 fts. x .975 = 1,221 x 1.02 (block time) = 1,245 Block Hours DFW-ELD-JBR = 313 x 4 fts x (70 + 60) /60 X .95 = 2577 DFW-ELD = 313 x 2 fts x70min/60 x .95 = 694 Total Block Hours 3,271					
3/ station costs = \$68,716/HRO, \$83,520/HOT, \$77,777/WMH, \$228,372/STL + Dptrs x \$78.					
4/ station costs = \$58,228/ELD, \$67,680/JBR + Dptrs x \$78.					

**BIG SKY AIRLINES  
ESSENTIAL AIR SERVICE AT ENID AND  
PONCA CITY, OKLAHOMA, AND BROWNWOOD, TEXAS**

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<b><u>EFFECTIVE PERIOD:</u></b>	From December 1, 1999, through November 30, 2001
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**SERVICE:**

Enid and Ponca City:	24 nonstop or one-stop round trips each week between Enid and Ponca City, and Dallas/Ft. Worth
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Brownwood:	18 nonstop round trips each week between Brownwood and Dallas/Ft. Worth
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<b><u>AIRCRAFT TYPE:</u></b>	Fairchild Metro III or 23, 19 passenger seats
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<b><u>TIMING OF FLIGHTS:</u></b>	Flights must be well-timed and well-spaced to ensure full compensation.
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**ANNUAL SUBSIDY RATES:**

Enid and Ponca City	\$1,944,244
Brownwood	\$ 865,886

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**SUBSIDY RATE PER  
ARRIVAL/DEPARTURE:**

Enid and Ponca City	\$408.63 <u>1/</u>
Brownwood	\$485.36 <u>2/</u>

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**COMPENSATION CEILING**

**EACH WEEK:**

Enid and Ponca City	\$39,228.48 <u>3/</u>
Brownwood	\$17,472.96 <u>4/</u>

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**FOOTNOTES APPEAR ON THE FOLLOWING PAGE**

**NOTE**

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

**FOOTNOTES**

1/ Annual compensation of \$1,944,244 divided by the estimated annual completed departures and arrivals at a 95 percent completion factor:  $16 \times 313 \times .95 = 4,758$ .

2/ Annual compensation of \$865,886 divided by the estimated annual completed departures and arrivals at a 95 percent completion factor:  $6 \times 313 \times .95 = 1,784$ .

3/ Subsidy rate per arrival/departure of \$408.63 multiplied by 96 subsidy-eligible arrivals and departures each week.

4/ Subsidy rate per arrival/departure of \$485.36 multiplied by 36 subsidy-eligible arrivals and departures each week.

**BIG SKY AIRLINES**  
**ESSENTIAL AIR SERVICE AT EL DORADO/CAMDEN,**  
**JONESBORO, HARRISON, AND HOT SPRINGS, ARKANSAS**

<b><u>EFFECTIVE PERIOD:</u></b>		From December 1, 1999, through November 30, 2001
<b><u>SERVICE:</u></b>		
El Dorado/Camden		18 nonstop round trips each week to Dallas/Ft. Worth.
Jonesboro:		12 nonstop or one-stop round trips each week to Dallas/Ft. Worth.
Harrison:		12 nonstop or one-stop round trips each week to Dallas/Ft. Worth and 12 nonstop or one-stop round trips each week to St. Louis.
Hot Springs:		18 nonstop round trips each week to Dallas/Ft. Worth and 12 nonstop, one-stop, or two-stop round trips each week to St. Louis.
<b><u>AIRCRAFT TYPE:</u></b>		Fairchild Metro III or 23, 19 passenger seats
<b><u>TIMING OF FLIGHTS:</u></b>		Flights must be well-timed and well-spaced to ensure full compensation.
<b><u>ANNUAL SUBSIDY RATES:</u></b>		
El Dorado/Camden and Jonesboro:		\$1,651,137
Harrison and Hot Springs:		\$2,251,181
<b><u>SUBSIDY RATE PER ARRIVAL/DEPARTURE:</u></b>		
El Dorado/Camden and Jonesboro:		\$555.19 <u>1/</u>
Harrison and Hot Springs:		\$420.62 <u>2/</u>
<b><u>COMPENSATION CEILING EACH WEEK:</u></b>		
El Dorado/Camden and Jonesboro:		\$33,311 <u>3/</u>
Harrison and Hot Springs:		\$45,427 <u>4/</u>

**FOOTNOTES APPEAR ON THE FOLLOWING PAGE**

**NOTE**

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Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

**FOOTNOTES**

1/ Annual compensation of \$1,651,137 divided by the estimated annual completed departures and arrivals for El Dorado/Camden and Jonesboro at a 95 percent completion factor:  $10 \times 313 \times .95 = 2,974$ .

2/ Annual compensation of \$2,251,181 divided by the estimated annual completed departures and arrivals for Harrison and Hot Springs at a 95 percent completion factor:  $10 \times 313 \times .95 = 2,974$  to Dallas, and  $8 \times 313 \times .975 = 2,379$  to St. Louis. Total = 5,352.

3/ Subsidy rate per arrival/departure of \$555.19 multiplied by 60 subsidy-eligible arrivals and departures each week.

4/ Subsidy rate per arrival/departure of \$420.62 multiplied by 108 subsidy-eligible arrivals and departures each week.

Under our normal procedures when nearing the end of a rate term, we contact the incumbent carrier to determine whether it is interested in continuing service and whether it will continue to require subsidy. If the carrier wishes to continue service with subsidy, we usually negotiate a new subsidy rate with the carrier, issue an order tentatively reselecting it for a new two-year rate term at the agreed-to rate, and direct other parties to show cause why we should not finalize our tentative decision. Other carriers are then invited to submit competing proposals in response to the show-cause order, and if any such proposals are received, we process them as a competitive case. Although Big Sky had advised us that it was interested in continuing to provide subsidized service at all seven points, in this case, two other carriers expressed an interest in providing EAS at these communities--Merlin Express, located in San Antonio, Texas, and Casino Airlines, in Shreveport, Louisiana. Under those circumstances and our program policy, we issued an order requesting proposals from all interested carriers to provide essential air service at the seven communities.

### Proposals

We received a proposal from only one carrier, Big Sky Airlines. The carrier proposes to provide EAS at all seven communities with 19-seat Metro aircraft at the same service level it is currently providing and at the annual subsidy rates as follows:

<u>Community</u>	<u>Hub</u>	<u>Round Trips Each Weekday and Weekend</u>	<u>Annual Subsidy Rate</u>
El Dorado	Dallas (nonstop)	Three	ELD and JBR
Jonesboro	Dallas (via El Dorado)	Two	\$1,651,137
Harrison	St. Louis (via Mountain Home) & Dallas (via Hot Springs)	Two Two	
Hot Springs	St. Louis (via Mountain Home & Harrison) and Dallas (nonstop)	Two Three	Harrison and Hot Springs \$2,251,181 <sup>1</sup>
Enid	Dallas (via Ponca City)	Four	Enid and Ponca
Ponca City	Dallas (via Enid)	Four	City--\$1,944,244
Brownwood	Dallas (nonstop)	Three	\$865,886

### Community Comments

We have not received any formal comments from the communities; however, we have informally discussed Big Sky's proposed service with civic officials from Jonesboro, El Dorado, and Enid. Both Jonesboro and Enid were satisfied with Big Sky's proposed service except that Jonesboro requested service to St. Louis in addition to its subsidized Dallas service. During the past year,

<sup>1</sup> The St. Louis service is provided over the intermediate point Mountain Home. Mountain Home is not an essential air service community.

Big Sky experimented with providing one round trip a day in the Jonesboro-St. Louis market. That service proved to be unprofitable and has been suspended by Big Sky.<sup>2</sup> El Dorado has complained that Big Sky's service has been unreliable in that too many flights have been cancelled.

### Decision

We have reviewed Big Sky's proposal and find that the proposed service will meet the essential air service requirements for the seven communities and that its subsidy request is reasonable. Thus, we will reselect Big Sky to provide essential air service at Brownwood, Enid, Ponca City, Harrison, Hot Spring, Jonesboro and El Dorado for another two-year period through November 30, 2001, at a combined annual subsidy rate of \$6,712,448.<sup>3</sup>

The combined rate we are authorizing here is above the current rate by about \$380,000, principally because traffic in most markets has been depressed over the past several years. While we are concerned about any increase in subsidy rates, there are extenuating circumstances regarding these seven communities. In late 1995, the Department implemented program-wide service cuts as a result of Congressional reductions in fiscal year 1996 funding for the EAS program.<sup>4</sup> Subsidy levels in all markets (except Alaska), including these seven communities, were cut to support only ten round trips a week in order to keep spending within Congressional budget levels. Beginning in fiscal year 1998 (effective October 1, 1997), Congress authorized funds necessary to restore service compliance with the statutory EAS requirements established in the Airport and Airway Safety and Capacity Expansion Act of 1987.<sup>5</sup> Toward the end of 1997 and early 1998, carriers began phasing in the required service upgrades. Not long after service had been restored at these seven communities the incumbent carrier, Aspen Mountain Air, began having financial troubles and its service became unreliable and was finally terminated in November 1998. As we explained above, although Big Sky was selected to provide replacement service, AMA's suspension occurred before Big Sky was fully prepared to commence service and, consequently, Big Sky was unable initially to implement a full service pattern. In a further development, Big Sky, along with several other commuter carriers, suffered a heavy loss of pilots to larger air carriers, which forced flight cancellations, especially in mid-1999. Thus, in view of this succession of disruptive developments, service at these communities has only recently become fully reliable. For that reason, Big Sky has been understandably reluctant to project much increase in traffic at the communities. In these circumstances, although we are concerned that the subsidy rate in total is increasing, we find Big Sky's revenue projections and subsidy-need estimate reasonable.

As a final matter, we have earmarked a specific dollar amount for local advertising in Big Sky's subsidy rates and we fully expect the carrier to use that amount as proposed to continue to promote its service at these essential air service communities.

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<sup>2</sup> Although St. Louis is not part of Jonesboro's EAS definition, Big Sky offered the St. Louis service for about a six-month period between July and December. In light of the fact that not many passengers used the St. Louis service, at this time we are not prepared to expand Jonesboro's EAS definition.

<sup>3</sup> See Appendix B for details of Big Sky's subsidy calculation.

<sup>4</sup> See Orders 95-11-28, November 17, 1995, and 96-2-1, February 2, 1996.

<sup>5</sup> These funds are provided for by the Rural Air Service Survival Act which was part of the FAA reauthorization legislation enacted in 1996.

### **Carrier Fitness**

49 U.S.C. 41737(b) and 41738 require that we find an air carrier fit, willing and able to provide reliable service before we compensate it for providing essential air service. We last reviewed Big Sky's fitness by Order 98-9-12, September 14, 1998, in connection with its selection at seven Montana points, and Order 98-10-9, October 7, 1998, in connection with its selection at the seven points in Arkansas, Oklahoma, and Texas. The Department routinely monitors the carrier's continuing fitness, and no information has come to our attention that would lead us to question their ability to operate in a reliable manner. We contacted the FAA Flight Standards District Office in Montana that oversees Big Sky's operations and they have advised us that Big Sky is conducting its operations in accordance with its regulations, and that it knows of no reason why we should not find that Big Sky Airlines remains fit. Based on our review of its most recent submissions, we find that Big Sky Airlines continues to have available adequate financial and managerial resources to maintain reliable service at the seven communities in Arkansas, Oklahoma, and Texas, and that it continues to possess a favorable compliance disposition.

This order is issued under authority delegated in 49 CFR 1.56a(f).

### **ACCORDINGLY,**

1. The Department selects Big Sky Airlines to provide essential air service at El Dorado/Camden, Jonesboro, Harrison, and Hot Springs, Arkansas; Enid and Ponca City, Oklahoma; and Brownwood, Texas, at the service levels and subsidy rates described in Appendix C, from December 1, 1999, through November 30, 2001;

3. The Department sets the final rates of compensation for Big Sky Airlines for the provision of essential air service at El Dorado/Camden, Jonesboro, Harrison, and Hot Springs, Arkansas; Enid and Ponca City, Oklahoma; and Brownwood, Texas, as described in Appendix C, from December 1, 1999, through November 30, 2000, payable as follows: for each calendar month during which essential air service is provided, the amount of compensation shall be subject to the ceilings per week set forth in Appendix C, and shall be determined by multiplying the subsidy-eligible arrivals and departures flown during the month by the following amounts;<sup>6</sup>

Enid and Ponca City:	\$408.63
Brownwood:	\$485.36
El Dorado and Jonesboro:	\$555.19
Hot Springs and Harrison:	\$420.62

3. We find that Big Sky Airlines continues to be fit, willing, and able to operate as a commuter air carrier and capable of providing reliable essential air service at El Dorado/Camden, Jonesboro, Harrison, and Hot Springs, Arkansas; Enid and Ponca City, Oklahoma; and Brownwood, Texas;

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<sup>6</sup> See Appendix B for the calculation of these rates, which assumes the use of the aircraft designated. If the carrier reports a significant number of aircraft substitutions, a revision of these rates may be required.

4. We direct Big Sky Airlines to retain all books, records, and other source and summary documentation to support claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. Such documentation shall be retained for seven years or until the Department indicates that the records may be destroyed. Copies of flight logs for aircraft sold or disposed of must be retained. The carriers may forfeit their compensation for any claim that is not supported under the terms of this order;

5. These dockets will remain open until further order of the Department; and

6. We will serve a copy of this order on the Mayors and airport managers of El Dorado, Camden, Jonesboro, Harrison, and Hot Springs, Arkansas, Enid and Ponca City, Oklahoma, and Brownwood, Texas, the States' Departments of Transportation, and Big Sky Airlines.

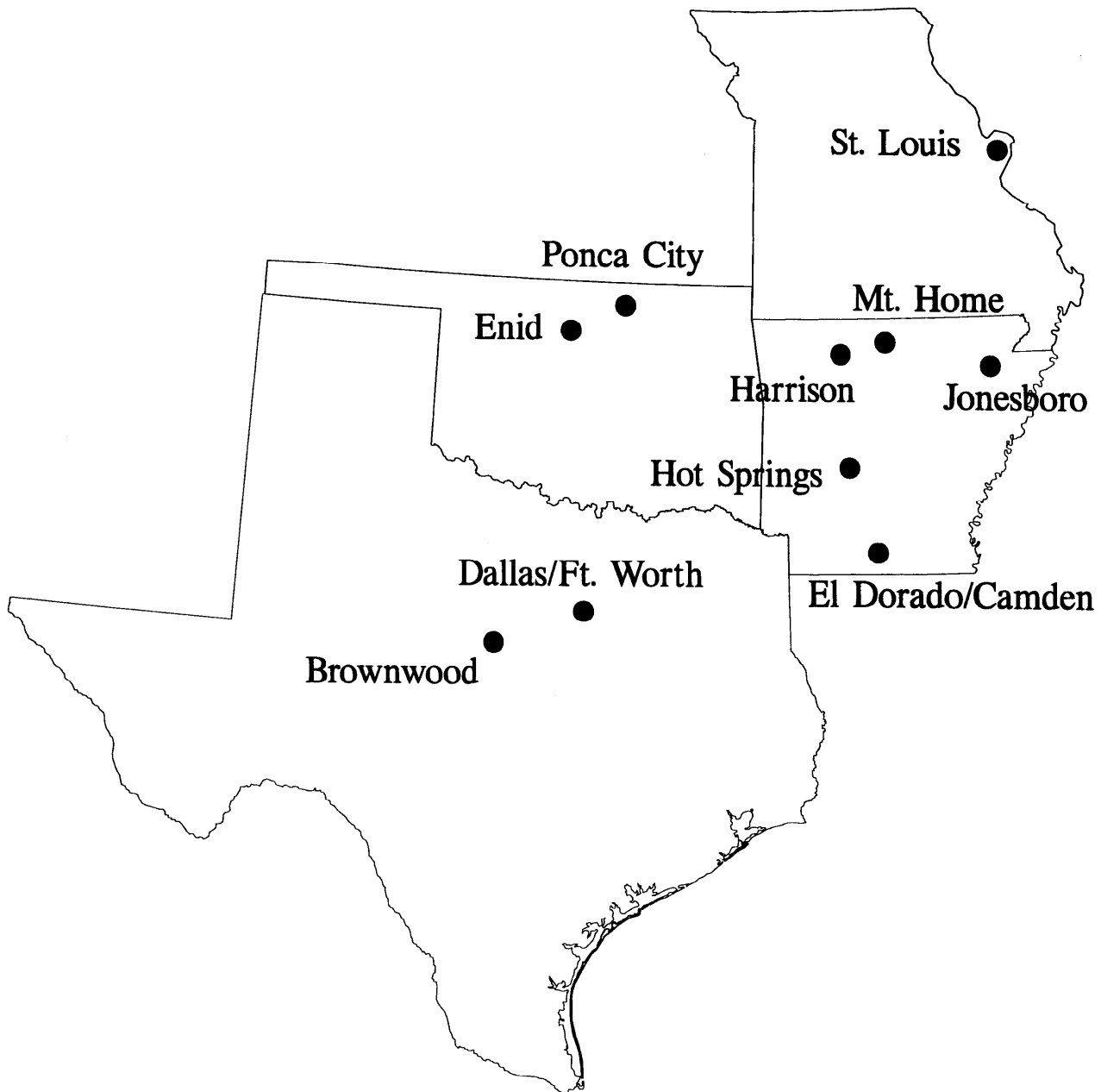
By:

**A. Bradley Mims**  
Deputy Assistant Secretary for Aviation  
and International Affairs

(SEAL)

*An electronic version of this document is available on the World Wide Web at  
<http://dms.dot.gov>*

## Appendix A



BIG SKY AIRLINES  
SUBSIDY CALCULATION FOR  
ENID AND PONCA CITY, OKLAHOMA, AND BROWNWOOD, TEXAS

				Annual total	
Block Hours at 95%				WDG/PNC	BWD
Enid and Ponca City	to DFW	4 RT's		3,271 <sup>1/</sup>	
Brownwood	to DFW	3 RT's			1,338 <sup>2/</sup>
Non-Revenue BH				<u>124</u>	<u>51</u>
Total Block Hours				3,395	1,389
<b>Operating Revenue</b>					
Passenger Revenue:	Psg.	Fare	Psg.		
WDG-DFW	2,930	\$53.50		\$156,755	
PNC-DFW	<u>5,070</u>	\$56.50		<u>\$286,455</u>	
BWD-DFW		\$33.30	<u>3,925</u>		\$130,703
	8,000		3,925		
Total Passenger Revenue				\$443,210	\$130,703
Freight Revenue	at 1%			<u>\$4,432</u>	<u>\$1,307</u>
Total Operating Revenue				<u>\$447,642</u>	<u>\$132,010</u>
<b>Operating Expenses</b>					
Direct Expenses					
Flying Operations	\$97.89	per BH		\$332,337	\$135,969
Fuel and Oil	\$82.45	per BH		\$279,918	\$114,523
Direct Maintenance	\$138.71	per BH		\$470,920	\$192,668
Maint. Burden	\$23.60	per BH		\$80,122	\$32,780
Aircraft Lease	\$94.12	per BH		\$319,537	\$130,733
Hull Ins.	\$16.93	per BH		\$57,477	\$23,516
Property Tax/Aircraft	<u>\$9.48</u>	per BH		<u>\$32,185</u>	<u>\$13,168</u>
Total Direct Expenses	\$463.18	per BH		\$1,572,496	\$643,357
Indirect Expenses					
Advertising	\$7,000	per community		\$14,000	\$7,000
Other Passenger Related	\$18.41	per pax		\$147,280	\$72,259
Departure Costs					
WDG/PNC		3,865 dptrs		\$457,708 <sup>3/</sup>	
BWD		1,784 dptrs			\$199,415 <sup>4/</sup>
G&A + Depr.				<u>\$65,579</u>	<u>\$19,339</u>
Total Indirect Expenses				\$684,567	\$298,013
Total Operating Costs				\$2,257,063	\$941,370
Return (at 5 % of total costs)				\$112,853	\$47,069
Interest				<u>\$21,970</u>	<u>\$9,457</u>
Total Economic Costs				\$2,391,886	\$997,896
Compensation Need				<u>\$1,944,244</u>	<u>\$865,886</u>

- 1/ WDG-DFW = 254 miles = 70 min  
WDG-PNC = 45 miles = 20 min  
PNC-DFW = 265 miles = 70 min  
DFW-PNC-WDG-DFW = 313 x 3 flts x (70min+20+70) / 60 x .95 = 2,379  
WDG-PNC-DFW = 313 x 2 flts x (70min + 20) / 60 x .95 = 892  
Total Block Hours = 3,271
- 2/ BWD-DFW = 139 miles = 45 min  
BWD-DFW = 313 days x 6 flts. x 45 min = 1,338 Block Hours
- 3/ Station costs = \$70,375/WDG + \$85,863/PNC + \$78.00 per dptr.
- 4/ BWD station costs = \$60,263 + \$78.00 per dptr.

**BIG SKY AIRLINES  
SUBSID CALCULATION FOR HARRISON, HOT SPRINGS,  
EL DORADO/CAMDEN, AND JONESBORO, ARKANSAS**

				<u>Annual total</u>	
<b>Block Hours at 95%</b>				<u>HRO/HOT</u>	<u>ELD/JBR</u>
Harrison and Hot Springs	to DFW/STL	2 RT's		3,866 1/	
Hot Springs	to DFW	1 RT		694	
El Dorado and Jonesboro	to DFW	3RT/2RT			3,271 2/
Non-Revenue BH				<u>173</u>	<u>124</u>
<b>Total Block Hours</b>				<b>4,733</b>	<b>3,395</b>
<b>Operating Revenue</b>					
<b>Passenger Revenue:</b>	<b>Psgr.</b>	<b>Fare</b>	<b>Psgr.</b>		
HRO-DFW	3,970	\$75.20		\$298,544	
HOT-DFW	4,670	\$65.50		\$305,885	
HRO-STL	1,000	\$84.20		\$84,200	
HOT-STL	480	\$72.50		\$34,800	
WMH-STL	8,385	\$72.10		\$604,559	
WMH-DFW	2,700	\$88.80		\$239,760	
DFW-STL	<u>760</u>	\$155.40		\$118,104	
ELD-DFW		\$84.20	2,965		\$249,653
JBR-DFW		\$89.40	<u>4,400</u>		\$393,360
	21,965		7,365		
<b>Total Passenger Revenue</b>				<b>\$1,685,852</b>	<b>\$643,013</b>
<b>Freight Revenue</b>	<b>at 1%</b>			<b>\$16,859</b>	<b>\$6,430</b>
<b>Total Operating Revenue</b>				<b>\$1,702,711</b>	<b>\$649,443</b>
<b>Operating Expenses</b>					
<b>Direct Expenses</b>					
Flying Operations	\$97.89	per BH		\$463,313	\$332,337
Fuel and Oil	\$82.45	per BH		\$390,236	\$279,918
Direct Maintenance	\$138.71	per BH		\$656,514	\$470,920
Maint. Burden	\$23.60	per BH		\$111,699	\$80,122
Aircraft Lease	\$94.12	per BH		\$445,470	\$319,537
Hull Ins.	\$16.93	per BH		\$80,130	\$57,477
Property Tax/Aircraft	\$9.48	per BH		\$44,869	\$32,185
<b>Total Direct Expenses</b>	<b>\$463.18</b>	<b>per BH</b>		<b>\$2,192,231</b>	<b>\$1,572,496</b>
<b>Indirect Expenses</b>					
Advertising	\$7,000	per community		\$21,000	\$14,000
Other Passenger Related	\$18.41	per pax		\$404,376	\$135,590
<b>Departure Costs</b>					
HRO/HOT		5,352 dptrs		\$875,841 3/	
ELD/JBR		2,974 dptrs			\$357,880 4/
G&A + Depr.				<u>\$249,444</u>	<u>\$95,142</u>
<b>Total Indirect Expenses</b>				<b>\$1,550,661</b>	<b>\$602,612</b>
<b>Total Operating Costs</b>				<b>\$3,742,892</b>	<b>\$2,175,108</b>
<b>Return (at 5 % of total costs)</b>				<b>\$187,145</b>	<b>\$108,755</b>
<b>Interest</b>				<b>\$23,855</b>	<b>\$16,717</b>
<b>Total Economic Costs</b>				<b>\$3,953,892</b>	<b>\$2,300,580</b>
<b>Compensation Need</b>				<b>\$2,251,181</b>	<b>\$1,651,137</b>
1/ HOT-DFW = 252 miles. = 70 min. HOT-HRO = 123 miles = 35 min HRO-WMH = 39 miles = 20 min WMH-STL = 201 miles. = 70 min DFW-HOT-HRO-WMH-STL = 313 x 4 fts x (70min+35+20+70) /60 x .95 = 3,866 DFW-HOT = 313 x 2 fts x 70min /60 x .95 = 694 Total Block Hours = 4,560					
2/ ELD-DFW = 246 miles, 313 days x 6 fts. x .975 = 1,831 fts x 1.25 (block time) = 2,289 Block Hours ELD-JBR = 218 miles. 313 days x 4 fts. x .975 = 1,221 x 1.02 (block time) = 1,245 Block Hours DFW-ELD-JBR = 313 x 4 fts x (70 + 60) /60 X .95 = 2577 DFW-ELD = 313 x 2 fts x70min/60 x .95 = 694 Total Block Hours 3,271					
3/ station costs = \$68,716/HRO, \$83,520/HOT, \$77,777/WMH, \$228,372/STL + Dptrs x \$78.					
4/ station costs = \$58,228/ELD, \$67,680/JBR + Dptrs x \$78.					

**BIG SKY AIRLINES**  
**ESSENTIAL AIR SERVICE AT ENID AND**  
**PONCA CITY, OKLAHOMA, AND BROWNWOOD, TEXAS**

<b><u>EFFECTIVE PERIOD:</u></b>	From December 1, 1999, through November 30, 2001
<b><u>SERVICE:</u></b>	
Enid and Ponca City:	24 nonstop or one-stop round trips each week between Enid and Ponca City, and Dallas/Ft. Worth
Brownwood:	18 nonstop round trips each week between Brownwood and Dallas/Ft. Worth
<b><u>AIRCRAFT TYPE:</u></b>	Fairchild Metro III or 23, 19 passenger seats
<b><u>TIMING OF FLIGHTS:</u></b>	Flights must be well-timed and well-spaced to ensure full compensation.
<b><u>ANNUAL SUBSIDY RATES:</u></b>	
Enid and Ponca City	\$1,944,244
Brownwood	\$ 865,886
<b><u>SUBSIDY RATE PER ARRIVAL/DEPARTURE:</u></b>	
Enid and Ponca City	\$408.63 <u>1/</u>
Brownwood	\$485.36 <u>2/</u>
<b><u>COMPENSATION CEILING EACH WEEK:</u></b>	
Enid and Ponca City	\$39,228.48 <u>3/</u>
Brownwood	\$17,472.96 <u>4/</u>

**FOOTNOTES APPEAR ON THE FOLLOWING PAGE**

**NOTE**

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

**FOOTNOTES**

1/ Annual compensation of \$1,944,244 divided by the estimated annual completed departures and arrivals at a 95 percent completion factor:  $16 \times 313 \times .95 = 4,758$ .

2/ Annual compensation of \$865,886 divided by the estimated annual completed departures and arrivals at a 95 percent completion factor:  $6 \times 313 \times .95 = 1,784$ .

3/ Subsidy rate per arrival/departure of \$408.63 multiplied by 96 subsidy-eligible arrivals and departures each week.

4/ Subsidy rate per arrival/departure of \$485.36 multiplied by 36 subsidy-eligible arrivals and departures each week.

**BIG SKY AIRLINES  
ESSENTIAL AIR SERVICE AT EL DORADO/CAMDEN,  
JONESBORO, HARRISON, AND HOT SPRINGS, ARKANSAS**

<b><u>EFFECTIVE PERIOD:</u></b>		From December 1, 1999, through November 30, 2001
<b><u>SERVICE:</u></b>		
El Dorado/Camden		18 nonstop round trips each week to Dallas/Ft. Worth.
Jonesboro:		12 nonstop or one-stop round trips each week to Dallas/Ft. Worth.
Harrison:		12 nonstop or one-stop round trips each week to Dallas/Ft. Worth and 12 nonstop or one-stop round trips each week to St. Louis.
Hot Springs:		18 nonstop round trips each week to Dallas/Ft. Worth and 12 nonstop, one-stop, or two-stop round trips each week to St. Louis.
<b><u>AIRCRAFT TYPE:</u></b>		Fairchild Metro III or 23, 19 passenger seats
<b><u>TIMING OF FLIGHTS:</u></b>		Flights must be well-timed and well-spaced to ensure full compensation.
<b><u>ANNUAL SUBSIDY RATES:</u></b>		
El Dorado/Camden and Jonesboro:		\$1,651,137
Harrison and Hot Springs:		\$2,251,181
<b><u>SUBSIDY RATE PER ARRIVAL/DEPARTURE:</u></b>		
El Dorado/Camden and Jonesboro:		\$555.19 <u>1/</u>
Harrison and Hot Springs:		\$420.62 <u>2/</u>
<b><u>COMPENSATION CEILING EACH WEEK:</u></b>		
El Dorado/Camden and Jonesboro:		\$33,311 <u>3/</u>
Harrison and Hot Springs:		\$45,427 <u>4/</u>

**FOOTNOTES APPEAR ON THE FOLLOWING PAGE**

**NOTE**

The carrier understands that it may forfeit its compensation for any flights that it does not operate in conformance with the terms and stipulations of the rate order, including the service plan outlined in the order and any other significant elements of the required service, without prior approval. The carrier understands that an aircraft take-off and landing at its scheduled destination constitutes a completed flight; absent an explanation supporting subsidy eligibility for a flight that has not been completed, such as certain weather cancellations, only completed flights are considered eligible for subsidy. In addition, if the carrier does not schedule or operate its flights in full conformance with this order for a significant period, it may jeopardize its entire subsidy claim for the period in question. If the carrier contemplates any such changes beyond the scope of the order during the applicable period of these rates, it must first notify the Office of Aviation Analysis in writing and receive written approval from the Department to be assured of full compensation. Should circumstances warrant, the Department may locate and select a replacement carrier to provide service on these routes. The carrier must complete all flights that can be safely operated; flights that overfly points for lack of traffic will not be compensated. In determining whether subsidy payment for a deviating flight should be adjusted or disallowed, the Department will consider the extent to which the goals of the program are met and the extent of access to the national air transportation system provided to the community.

If the Department unilaterally, either partially or completely, terminates or reduces payments for service or changes service requirements at a specific location provided for under this order, then, at the end of the period for which the Department does make payments in the agreed amounts or at the agreed service levels, the carrier may cease to provide service to that specific location without regard to any requirement for notice of such cessation. Those adjustments in the levels of subsidy and/or service that are mutually agreed to in writing by the parties to the agreement do not constitute a total or partial reduction or cessation of payment.

Subsidy contracts are subject to, and incorporate by reference, relevant statutes and Department regulations, as they may be amended from time to time. However, any such statutes, regulations, or amendments thereto shall not operate to controvert the foregoing paragraph.

**FOOTNOTES**

1/ Annual compensation of \$1,651,137 divided by the estimated annual completed departures and arrivals for El Dorado/Camden and Jonesboro at a 95 percent completion factor:  $10 \times 313 \times .95 = 2,974$ .

2/ Annual compensation of \$2,251,181 divided by the estimated annual completed departures and arrivals for Harrison and Hot Springs at a 95 percent completion factor:  $10 \times 313 \times .95 = 2,974$  to Dallas, and  $8 \times 313 \times .975 = 2,379$  to St. Louis. Total = 5,352.

3/ Subsidy rate per arrival/departure of \$555.19 multiplied by 60 subsidy-eligible arrivals and departures each week.

4/ Subsidy rate per arrival/departure of \$420.62 multiplied by 108 subsidy-eligible arrivals and departures each week.